

Subsidized guardianship (Title IV-E waivers)

Benefit-cost estimates updated December 2015. Literature review updated April 2012.

Current estimates replace old estimates. Numbers will change over time as a result of model inputs and monetization methods.

The WSIPP benefit-cost analysis examines, on an apples-to-apples basis, the monetary value of programs or policies to determine whether the benefits from the program exceed its costs. WSIPP's research approach to identifying evidence-based programs and policies has three main steps. First, we determine "what works" (and what does not work) to improve outcomes using a statistical technique called meta-analysis. Second, we calculate whether the benefits of a program exceed its costs. Third, we estimate the risk of investing in a program by testing the sensitivity of our results. For more detail on our methods, see our [technical documentation](#).

Program Description: Subsidized Guardianship is a permanent placement alternative that does not require termination of parental rights. In addition to the outcomes reported here, three evaluations demonstrated a significant positive impact on placement permanency.

Benefit-Cost Summary

Program benefits

Participants	\$2,051
Taxpayers	\$1,218
Other (1)	\$170
Other (2)	\$2,337
Total	\$5,775
Costs	\$4,192
Benefits minus cost	\$9,967

Summary statistics

Benefit to cost ratio	n/a
Benefits minus costs	\$9,967
Probability of a positive net present value	100 %

The estimates shown are present value, life cycle benefits and costs. All dollars are expressed in the base year chosen for this analysis (2014). The economic discount rates and other relevant parameters are described in our [technical documentation](#).

Detailed Monetary Benefit Estimates

Source of benefits	Benefits to				
	Participants	Taxpayers	Other (1)	Other (2)	Total benefits
From primary participant					
Crime	\$0	\$47	\$113	\$23	\$183
Child abuse and neglect	\$387	\$18	\$0	\$9	\$414
Out-of-home placement	\$0	\$348	\$0	\$173	\$521
K-12 grade repetition	\$0	\$8	\$0	\$4	\$12
K-12 special education	\$0	\$48	\$0	\$24	\$72
Property loss (alcohol abuse/dependence)	\$0	\$0	\$0	\$0	\$1
Health care (PTSD)	\$15	\$46	\$56	\$23	\$139
Labor market earnings (child abuse & neglect)	\$1,649	\$703	\$0	\$0	\$2,353
Adjustment for deadweight cost of program	\$0	\$0	\$0	\$2,081	\$2,081
Totals	\$2,051	\$1,218	\$170	\$2,337	\$5,775

We created the two "other" categories to report results that do not fit neatly in the "participant" or "taxpayer" perspectives. In the "Other (1)" category we include the benefits of reductions in crime victimization, the economic spillover benefits of improvement in human capital outcomes, and the benefits from private or employer-paid health insurance. In the "Other (2)" category we include estimates of the net changes in the value of a statistical life and net changes in the deadweight costs of taxation.

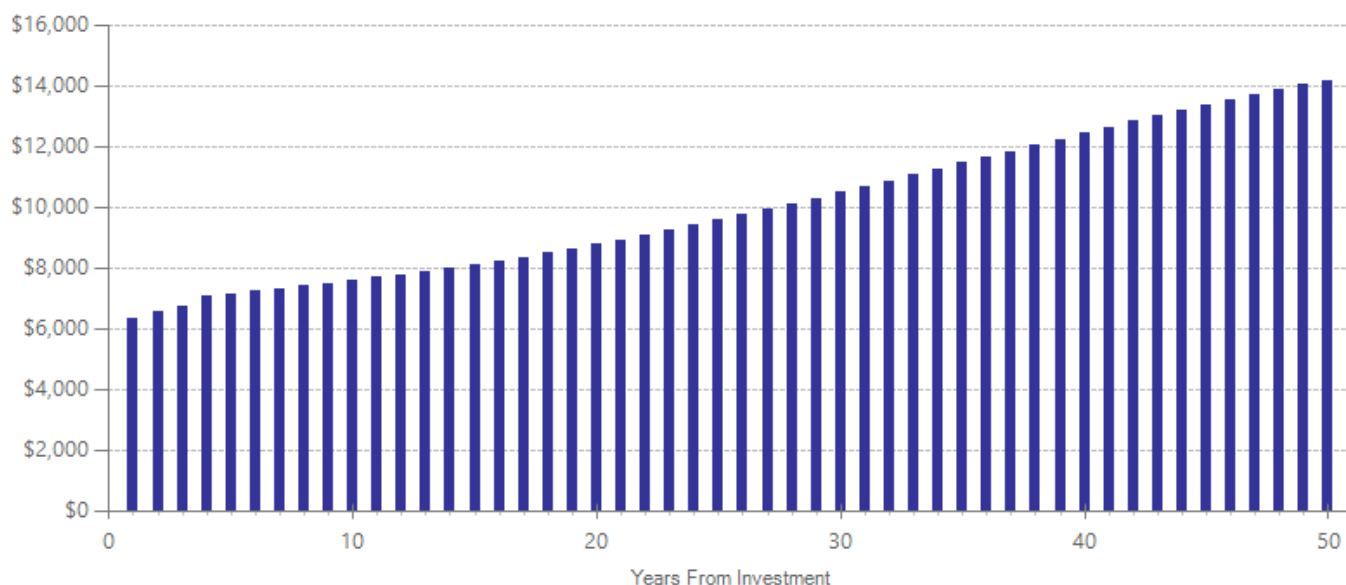
Detailed Cost Estimates

	Annual cost	Program duration	Year dollars	Summary statistics	
Program costs	\$0	1	2011	Present value of net program costs (in 2014 dollars)	\$4,192
Comparison costs	\$4,011	1	2011	Uncertainty (+ or - %)	10 %

Weighted average difference between comparison group and waiver group in three state evaluation reports: IL, IA, & WI.

The figures shown are estimates of the costs to implement programs in Washington. The comparison group costs reflect either no treatment or treatment as usual, depending on how effect sizes were calculated in the meta analysis. The uncertainty range is used in Monte Carlo risk analysis, described in our [technical documentation](#).

Cumulative Net Cash Flows Over Time (Non-Discounted Dollars)



Meta-Analysis of Program Effects

Outcomes measured	Primary or secondary participant	No. of effect sizes	Treatment N	Unadjusted effect size (random effects model)		Adjusted effect sizes and standard errors used in the benefit-cost analysis					
						First time ES is estimated			Second time ES is estimated		
				ES	p-value	ES	SE	Age	ES	SE	Age
Child abuse and neglect	Primary	2	1626	-0.096	0.335	-0.096	0.100	14	-0.096	0.100	17
Out-of-home placement	Primary	1	245	-0.434	0.001	-0.434	0.119	14	-0.434	0.119	17

Citations Used in the Meta-Analysis

Testa, M.F., Slack, K.S., Gabel, G., Evans, M. & Cohen, L. (2010). *Wisconsin subsidized guardianship assessment and evaluation: Final evaluation report*. Rockville, MD: Westat.

University of Iowa School of Social Work. (2010). *Evaluation of Iowa's subsidized guardianship program*. Iowa City, IA: Author.

For further information, contact:
(360) 586-2677, institute@wsipp.wa.gov

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